



IRP NEWSLETTER

HOLLAND ENTERPRISES LLC



Eric Holland appears to be among a new breed of carriers, owners of heavy weight vehicles who either left or are transitioning from formerly sought after white collar jobs to create a career in the trucking industry. Instead of leaving his job altogether, however, Eric reports that he remains employed with the same international food store chain that he joined more than 20 years ago. While it is obvious that Eric intends to continue his productive career with this major food store chain, he laughingly recounted many unglamorous chores he performed when working part-time prior to graduating from high school in 1988. With a few interruptions along the way, he says he worked his way through college and has taken advantage of many company training opportunities. His multiple business objectives, he says, are to take his family trucking business to new levels of profitability and to continue moving up the management ladder with his international food store chain.

Eric's commitment to his family is evident throughout our interview. It is also obvious that he has a passion for coaching, counseling and teaching community youth, a volunteer job he assumed as far back as 1986. Right now, the Department of Parks and Recreation's "Ridge Road Titans" have a reliable coach and mentor for about 200 kids. Eric smiles as he recalls his first volunteer as-

signments, days when he was referred to as "Coach Eric" when he was only a few years older than many of the kids he was attempting to mentor. According to him, coaching youth is the most fulfilling thing he does – outside of doing all the other things that have to be done in his life. He asserts that the minority community will continue to be challenged until its men take full ownership and responsibility for their children. And speaking of children, Eric reports that he has two of his own whom he says are the joy of his family and the inspiration for his hard work.

A television minister impressed him years ago, he says, when that preacher spoke about mans need to be willing to pay the price for future generations, as opposed to pursuing a selfish "got to get mine first" agenda. At 35 years of age, Eric claims that he, like the preacher, is optimistic about the future for all children but concerned when too many of them appear to be unable to focus on their potential. He believes that by volunteering to work with youth he can help them see things that are important in their lives and avoid excessively material pursuits.

In his early years, he says it was an uncle who lived and worked as a trucker in southern Virginia who fascinated him as a driver of big rigs. Truckers like his uncle were able to travel to distant states, carry big loads and command good wages. They appeared to be unlike most of the men who worked in local industries. Now that Eric will soon be nearing middle age, the fascinated boy is a maturing man who recognizes special opportunities in the trucking industry. He believes the trucking industry will allow him to be more of his own boss and that he can create employment opportunities for members of his family and his community.

Eric describes each member in his family as a "strong support system" to each other, where individuals are all well-acquainted with hard work and willing to assume risks to achieve their goals. Holland Enterprises vehicles

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industry, to capitalizing on opportunities to network and to remaining reliable and loyal to his customers.

Eric says that weight disparities between jurisdictions are the reason some carriers choose to not apportion in the District. For example, he says that in order to carry an extra two and one-half tons under D.C.'s registration, it is necessary to go to the DDOT office on North Capitol Street and pay \$1,192 in addition to the DMV's own apportionment fee. In contrast, he says, Maryland's weight formula allows a carrier to pull as much as 70,000 pounds at no extra cost. When reminded of the District's federal bridge formula law that is intended to address maintenance requirements of fragile overpasses, however, Eric says he understands the city's reason for overweight permits. He claims, however, that city agencies could become more customer friendly in addressing carrier's needs. A frequent lament of carriers, he says, is that a vehicle owner in D.C. has to travel to a number of offices to achieve what a carrier can get in one office in neighboring jurisdictions. And, he reminds us, D.C. needs to join IFTA to stem the avoidable loss of money to Maryland and Virginia.

FUTURE OF TRUCKING IN THE HIGH TECH AGE

In the future, the District government will enact new motor carrier enforcement capabilities thanks to a federally funded program called CVISN. This program will address carrier safety and commercial driver safety issues. CVISN is the abbreviation for Commercial Vehicle Information Systems and Network. Under federal motor carrier safety regulations, CVISN will enhance the city's ability to link information and technology so commercial carrier safety issues can be addressed more efficiently and effectively. Some Federal Motor Carrier Safety Administration ideas just may appear to have been created by your favorite science fiction writer. But CVISN is not one of those programs. CVISN ideas are moving ahead in the District and across the country.

Participating D.C. government agencies will develop state of the art electronic measures to verify credentials and carrier capabilities. Some city roadways will have embedded sensors capable of identifying vehicles that exceed weight and speed limitations. Particular District agencies will update their information capabilities so that their partners can provide verifications on the status of local and national operators. In summary, the city will link credentials administration, electronic screening carrier operations and safety enforcement. The city's Office of Information Technology, the Metropolitan Police Department, DDOT and the Department of Motor Vehicles are all partners responsible for oversight on commercial vehicle operations.

The goals of the CVISN program are to improve highway safety, simplify operations between agencies and save lives, time and money. The District government is accountable for four program areas: Safety Assurance, Credentials Administration, Electronic Screening and Carrier Operations. Safety Assurance is designed to provide access to driver, vehicle and carrier information on inspections and accidents. Also included under this program area are automated inspections and reviews and onboard safety monitoring. Under Credentials Administration, the city will enact broad based electronic credentialing, electronic one-stop shopping, interagency data exchanges and interstate data exchanges. The District will also institute automated weight and credentials screening, and international border clearance capabilities under the Electronic Screening program. Under Carrier Operations, the focus will be on fleet and vehicle management, traveler information systems and hazardous materials incident responses.

The Congress enacted CVISN in SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users) in August 10, 2005 as Public Law 109-59. It authorized \$100 million in Federal deployment funds to support each states' implementation of core and expanded CVISN functionality. The law authorizes the U.S. Department of Transportation to provide up to \$2.5 million in Federal deployment grants to each state for deployment of core CVISN capabilities. It further authorizes U.S. DOT to provide up to \$1 million in Federal deployment grants to each CVISN compliant state for the deployment of expanded CVISN capabilities. In a fiscal year 2006 transportations appropriations bill, the Federal Motor Carrier Safety Administration was authorized to give priority to the funding of the CVISN program.

The District's ITS/CVO Program Areas include Safety Assurance, Credentials Administration, Electronic Screening and Carrier Operations. The goal of Safety Assurance is to improve transportation safety by applying enforcement and other resources to commercial vehicle operations where safety risks are most likely to exist. The goal of the Credentials Administration is to streamline credentials processing. Under Electronic Screening, the goal is to improve the screening and selection of vehicles for roadside enforcement operations. The Security goal is to improve the security of all residents of the District of Columbia through inspection sites and monitoring of commercial traffic. Under Data Collection the goal is to improve the data collection capability of the District of Columbia through the use of new technologies and data sharing.

The District's CVISN program is designed to improve desk-side and roadside access to Safety Assurance information while enhancing the government's ability to monitor the en-route operator and the size and weight status of a vehicle. The Credentials Administration program is designed to enhance inter/intra agency data



exchanges and provide credentials information to authorized officials. Electronic Screening is designed to identify carriers, drivers and vehicles operating unsafely or illegally and reduce the frequency and duration of stops for safe and legal carriers. The total program will increase the government's reliance on technology to enhance effective enforcement and provide more "safe-havens" for state inspection personnel. The District's Security objective is to identify carriers, drivers and vehicles that may pose a security and establish monitoring capabilities that are linked with federal agencies.

Local CVISN grant writers report that based on the success of unattended monitoring of speed and traffic light running in the District, this project will focus on using similar technology to gather data on the movement of commercial traffic along selected routes into the city. The District will be able to collect meaningful data needed to justify future traffic enforcement expenditures through the use of new technologies. The government will have electronic messaging capabilities for detecting and notifying operators approaching tunnels and overpasses that they are over height. Stay tuned for additional information about the District's CVISn program!

PARTNERING THROUGH A SYSTEM PERSPECTIVE

A major goal for most of us is to be successful at what we perform. Although there are many definitions and levels of success, we typically achieve success by fulfilling the needs of individuals and communities. In the corporate world there is a need to sell products, maintain market share, obtain a profit and satisfy stockholders. In the government world, there is a need to efficiently utilize tax revenue and provide basic life necessities and services to the common person. Being an employee of the District government, I am often reminded of the conflicting goals of individuals, businesses/trucking industry and government. On the other hand, I am very aware of the importance for government employees to continually invent and re-invent solutions that help and not hinder the needs of the trucking industry and our communities.

I gather that the trucking industry's main purpose, beyond making a profit, is to deliver goods to businesses and government using our state and national highways. However, to accomplish this goal, a vast delivery system must be maintained and controlled in a manner as to not impose highway safety and traveling risks for the common person. Indeed, there is a need for government to ensure that the roads, highways and bridges are safe to travel upon. In addition to the millions of passenger vehicles traveling the roads of America, commercial vehicles also contribute to the wear and tear of our roads and highways. There is a constant need to invest in the maintenance and repair of these highways and bridges. How-

ever, this does not come without a cost. These costs among others include taxpayers' dollars, industry fees and government oversight of carriers and commercial drivers. To ensure the efficient delivery of goods, the government and trucking industry must work together.

As a government employee, I am proud to have been involved in the development of systems that monitor commercial drivers (CDL), provide safety inspection of commercial vehicles, and allow the registration of apportioned vehicles through the International Registration Program (IRP). I am hopeful that in the near future, additional technology will allow information exchange among the states and carriers through the Commercial Vehicle Information Systems and Networks (CVISN) program.

Yes, the government does collect taxes, impose fees and may appear to hinder carrier productivity with regulations and oversight. But at the end of the day, we all have a common goal of providing an efficient means of moving and delivering goods utilizing our roads and highways. Identifying ongoing improvement in safety assurance, streamline credentials administration, efficient electronic screening and improved carrier operations will continue to make this happen. We should all take pride in knowing that our individual successes and our partnership have contributed in the efficient delivery of goods and services. And in a broader context, our partnership is helping to keep the American economy strong.

THE POWER OF NETWORKING

David Wright appears to be the picture of good health, one whose robust complexion and gait suggests that he is a man often on the run exploring new adventures. He and his wife are both 43, and they have worked together and raised a family for nearly 26 years. The Wright's are proud parents of one son and two daughters who share the family's work ethic and respect for education. Their oldest child is a 27 year old married career military man based at Virginia Beach. He has completed nine years of active duty with the U.S. Navy as a navigator, working as a technical trainer while plotting courses for big ships. Their oldest daughter is a second year college microbiology student and the third child, another daughter, is an 18 year old freshman at the University of Maryland at College Park.

David describes a portion of his early years as a period of underachievement, despite good examples set by both his parents. After "testing the waters of authority" at home, he dropped out of school and joined the Job Corps. According to him, he underwent a series of tests during his first months of residency at West Virginia's Job Corps facility and went on to acquire the highest GED scores in the state in 1979. At sixteen he entered college and completed two years of study in criminal justice at



West Virginia State, located at Institute, West Virginia. However, since he had a young family to support he left school and took a job that allowed him to do what he frequently dreamed of doing. He drove trucks for local employers for 22 years, during which time he ferried big rigs throughout the country for three major trucking companies. After years of working for other trucking organizations, David reviewed the family "truck fund" and decided to go into business for himself.

Family Trucking LLC is indeed a family business, where a nephew, a son-in-law, David's wife and mother-in-law all play important roles in helping the company succeed. Two other nephews are scheduled to join the enterprise before the end of 2006, when David expects to take possession of two additional trucks. While Family Trucking's young drivers benefit from personal mentoring when they prepare for the CDL, David himself was grandfathered-in before this licensing became mandatory. Prior to federal regulations governing CDL testing and licensing, truckers could operate a big rig using their regular drivers' licenses. Now commercial truckers and chartered bus drivers are required to possess a CDL license, and government tracking provides that when one is disqualified in one state this information will be automatically reported in every other jurisdiction. Errant truckers can no longer skip from state to state changing their licenses.

As the head of Family Trucking, David Wright still travels to many points south carrying commodities for major suppliers. Meanwhile, he and his employees have plenty of local engagements where he is involved in trash management. At this point, Family Trucking focuses on their Cockeysville, Maryland runs (north of Baltimore, Route 83 en-route to Pennsylvania before turning back to Waverly, Virginia). The return trip requires the operator to drive back to Cockeysville to the Saluda Landfill at Fredericksburg, Virginia. All total, each driver puts in about _____ miles each day. Family Trucking drivers carry two loads in separate directions six days a week. These runs begin at 4:00 am and end at 1:00 pm.

What influences a young man to enter the trash management business when so many others pursue white collar or other blue collar jobs? The answer, according to Mr. Wright, is simple. Business and financial independence! Each of the trucks he sub-contracts to Waste Management Tarpon Transportation earns at least \$1,200 a day. To protect a company's interests, however, David says the owner of an apportioned vehicle needs to read the fine print in his contract and to know his operations. David cautions new owners about becoming overly eager to accept hauling contracts until factoring in all expenses. Sub-contractors need to be willing to negotiate based upon their knowledge of facts! For example, says David, a contractor's proposal to pay \$5,000 a week for running a truck like his may not be such a good deal if both parties do not consider the need to deduct important

expenses, like trailer rental expenses of \$1,000 a week and \$170 weekly parking fees at the contractor's facility. As the owner of three vehicles, David has to factor in the cost for diesel fuel since each vehicle carries two 100gallon tanks. Though fuel costs are not as high as they have been, an owner like him generally spends \$350 for fuel – for each vehicle - for a three days run. An apportioned vehicle owner also needs to consider toll road costs. And maintenance costs. And the IRS's 2290 costs, which can delay registration and renewal of tags at the IRP Office until such fees have been paid.

Altogether, David Wright says it is a good life, where he is able to expand his big rig driving record to 23 accident-free years. He says his drivers routinely carry 77,000 to 80,000 pound loads with their reliable Freightliner Century Class tractors. The Family Trucking mantra, he says, is to "always drive responsibly and imagine that we are not only the driver of our own vehicles but the driver of every other vehicle on the road." When asked about the advantages and disadvantages of being his own boss, David reports that he enjoys the freedom to plan and delegate responsibility based upon his personal experiences. More than anything else, he says, is the happiness he experiences chasing his own dreams. He cites disadvantages of being in business the cost of doing business: this includes his responsibility for a mountain of fees associated with the trucking business: the insurance fees; parking fees; trailer rental fees; fuel costs, toll fees; vehicle repair and maintenance costs. Despite these responsibilities, however, David Wright says that "having a job was simply not enough." It was time, he says, for him to step out on faith and not be afraid to speak up and make connections with people who were able to influence his future.

His three handsome Freightliner Century Class vehicles are world-class. One is a 1999, the second is 2000 and the third is 2001. The two additional purchases are also expected to be Freightliners. Freightliners are his vehicles of choice, he says, because shifting gears is more effective when climbing hills than when using automatics. Shifting gears allows a driver to maintain ones RPM. Unlike the automatic vehicle where a driver is required to wait until sensors kick in, the driver of a shift gear experiences no problem maintaining momentum with a Freightliner.

Since there is limited parking to accommodate trucks in the city and the District prohibits trucks from parking in residential neighborhoods, Family Trucking says it parks its vehicles in Elk Ridge, Maryland and that his drivers commute from their homes in D.C. Like a number of persons who were interviewed earlier, David Wright recommends that any individual who hopes to go into business takes the time to research the trucking industry, that he monitors his credit history, and that he always remains alert to identity theft. Identity theft happened to him, David says, and it takes a lot of time and resources to



THINK DC'S TAXES ARE THE HIGHEST IN THE REGION?



THINK AGAIN!

Ed Lazere is the executive director of the DC Fiscal Policy Institute, which conducts research on tax and budget issues that affect low-and moderate-income DC residents. He wrote a very interesting article recently for DC NORTH, a monthly neighborhood news magazine that contains many helpful and informative articles for city residents. The article begins with a one question quiz. "How do taxes for DC households compare with taxes in suburban Maryland and Virginia, ranked from highest to lowest?" Ed suggested that most readers would say DC has the highest taxes, Virginia the lowest, and Maryland somewhere in between.

If you, like me, answered that way though, you'd be wrong.. A new study from the DC Fiscal Policy Institute shows middle-income DC families and individuals pay less in taxes in most cases than families in either the Maryland or Virginia suburbs. Often, Ed says, DC taxes are thousands of dollars lower.

DC's lowest-taxes-in-the-region status stems from its property taxes. As an example, property taxes for DC homes worth \$400,000 average \$1,600 this year, compared with \$2,400 in Montgomery County and \$3,300 in Fairfax. Ed says this may come as a surprise, given skyrocketing DC assessments. He indicates the council and the mayor lowered the tax rate, raised the homestead deduction, and put a cap on annual tax increases. No other area jurisdiction has done all of these. The property tax relief has had a huge impact. More than half of DC homeowners will have smaller property tax bills in 2007 than they had in 2005.

The Fiscal Policy Institute's new study confirms that DC income taxes – which are widely reputed to be astronomically high – are higher than in Virginia. That's because their top tax rate at 5.75% is far lower than DC's top rate of 8.5%. But Ed says that DC's income taxes actually are lower than in Maryland. That's because the top rate of 7.95% in Montgomery and Prince George's (including both state and county taxes) kicks in when taxable income is just \$3,000, but not until \$40,000 in the District (or \$80,000 for two-earner families.) And don't forget that Virginia counties place an annual tax on a car's value. That tax has been reduced but not eliminated. Neither DC nor Maryland has a car tax.

Ed Lazere acknowledges that tax cuts are popular, but suggest we look at DC's tax cuts more closely. He reminds us that every dollar in tax cuts is a dollar that cannot be used to improve services, so we need to look at

the fairness of tax breaks. Is there parity in the savings for a family earning \$25,000 and a family earning \$150,000? Every dollar in tax cuts is a dollar that cannot be used to improve services. The higher taxes paid by suburban residents are used to fund world-class schools and other generous services. We are often reminded that most suburban schools spend more per pupil than DC does when special education costs are not considered.

DC's income tax cuts in just the past three years add up to \$140 million in lost revenue, which might have been used to improve libraries, bring music programs back to DC schools, help more families buy a house or find an affordable apartment, and more. As the director of the DC Fiscal Policy Institute, Ed Lazere suggests this topic is appropriate for discussion right now. He suggests that the new administration focus less on additional property tax relief for homeowners but more on the improvement of under-funded services. He also recommends that they give more attention to the high percentage of DC households who rent and have not benefited one bit from property tax cuts.



STAGGERED REGISTRATIONS **SCHEDULE**

DC's IRP Office operates on a quarterly staggered registration cycle.

The quarters are arranged in the following format:

- . **2/28/** -- **A, B, C, D, E, F, G**
- . **5/31/** -- **H, I, J, K, L, M**
- . **8/31/** -- **N, O, P, Q, R, S**
- . **11/30/** -- **T, U, V, W, X, Y, Z**

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